



**ARIZONA STATE SENATE**  
*Fifty-Fifth Legislature, First Regular Session*

**AMENDED**  
FACT SHEET FOR S.B. 1447

military installation fund; property conveyance

Purpose

Allows the Department of Emergency and Military Affairs (DEMA) to sell, lease or convey property, infrastructure or improvements acquired for the preservation or enhancement of military installations.

Background

DEMA is required to award 80 percent of the monies in the Military Installation Fund (Fund) for the: 1) acquisition of private property, real estate or related infrastructure, or removal of structures for the purpose of preserving a military installation; and 2) acquisition of real estate or structural renovations that mitigate impacts in high noise or accident potential zones. The remaining 20 percent of the monies may be awarded to cities, towns and counties for further military installation preservation and mitigation of high noise or accident potential zones ([A.R.S. § 26-262](#)). According to the Joint Legislative Budget Committee, the Fund's only source of revenue is the collection of interest from the balance of the Fund ([JLBC FY 2021 Baseline](#)).

A political subdivision that has territory in the vicinity of a military airport or ancillary military facility that includes property in a high noise or accident potential zone is required to adopt comprehensive plans to assure that any development of the property is compatible with high noise or accident potential generated by a military airport or facility. Statute provides criteria for determining the degree to which property development is compatible with high noise and accident potential to prevent adverse effects on public health and safety. Uses not listed are presumed to not be compatible ([A.R.S. § 28-8481](#)).

State agencies are prohibited from engaging in certain business activities related to providing goods and services to the public that are also offered by private enterprise unless specifically authorized by law ([A.R.S. § 41-2752](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Allows DEMA to sell or otherwise dispose of any acquired real estate, property rights and related infrastructure.
2. Allows DEMA, after beginning an improvement to real property, to convey the real property or any interest if DEMA determines it is not necessary, useful or convenient for the use of the improvement.

3. Requires the conveyance of real estate, property rights, related infrastructure and property improvements to be made to the highest and most responsible bidder at a public sale.
4. Requires DEMA, before any conveyance, lease or sublease of any property, to ensure that the property will be used or developed in compliance with compatible development standards for high noise and accident potential zones.
5. Allows DEMA to lease or sublease any acquired real estate or related infrastructure at fair rental value.
6. Exempts the lease or sublease of acquired property from prohibitions against state competition with private enterprise.
7. Allows monies received from the conveyance of acquired property to be used for the preservation and enhancement of military missions and installments in Arizona.
8. Becomes effective on the general effective date.

Amendments Adopted by Committee

- Makes a technical correction.

Amendments Adopted by Committee of the Whole

- Makes a technical correction.

Senate Action

JUD            2/18/21    DPA    8-0-0

Prepared by Senate Research

February 25, 2021

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